THE CORPORATION OF

THE CITY OF VICTORIA

Annual Report

For the Year Ending December 31, 2000

104-01545/

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Cover Photo – ***Beacon Hill Park***

THE CITY OF VICTORIA

OUR VISION:

VICTORIA IS ...

A Vibrant City
Victoria is the heart of our region and capital of our province. We seek to strengthen our economy, foster innovation and create new opportunities for people to work, visit and thrive here.

A Blue-Green City
Victoria is blessed with environmental riches of land and sea. Protection and stewardship of our natural environment is key to maintaining our exceptional quality of life.

A Heritage City
Victoria is defined by its built and cultural heritage. Preservation of this heritage is a priority.

A Caring City
Victoria is a welcoming city that seeks to be tolerant and encourages diversity.

A Livable City
Victoria is an attractive, livable city for people of all ages. We invest in our public spaces and are committed to keeping our city safe and clean.

OUR MISSION:

The City of Victoria is committed to the social, economic, cultural and environmental well-being of the community. We are an inclusive government that responds to the needs of our citizens, seeking creative solutions to issues of importance. Our goal is to maintain and enhance the quality of life for those who live, work and visit here.

OUR VALUES:

Honesty, Fairness, Caring, Respect and Responsibility.

CITY COUNCIL

2001	2000
Mayor Alan Lowe	Mayor Alan Lowe
Councillor Rob Fleming	Councillor Rob Fleming
Councillor Bea Holland	Councillor Bea Holland
Councillor Helen Hughes	Councillor Helen Hughes
Councillor Jane Lunt	Councillor Jane Lunt
Councillor Pamela Madoff	Councillor Pamela Madoff
Councillor David McLean	Councillor David McLean
Councillor Denise Savoie	Councillor Denise Savoie
Councillor Art Vanden Berg	Councillor Art Vanden Berg

MUNICIPAL OFFICIALS

City Manager	J.E. (Joe) Martignago
Acting Director of Finance	Mike McCliggott, C.M.A.
Director of Engineering	Patrick O'Reilly, P. Eng.
Director of Planning & Development/ City Solicitor	John R. Basey, Q.C., B.A. L.L.B., M.B.A
irector of Parks & Community Services	Donna Atkinson, B.A.
Director of Victoria Conference Centre	John Hill
Director of Human Resources	Ron Dennis, B. Sc., CRSP, CHRP
Fire Chief	Frank Thoresen
Chief Constable	Paul Battershill

POLICE BOARD

2001	2000
Mayor Alan Lowe, Chair	Mayor Alan Lowe
Don Gunn	Jim Hartshorne
Dean Fortin	Eric Simmons
Eric Simmons	Don Gunn
Tyna Mason	Tyna Mason
Jannit Rabinovitch	Jannit Rabinovitch
Maureen Meikle	Maureen Meikle

Municipal Auditors	K.P.M.G.
Municipal Bankers	Canadian Imperial Bank of Commerce

COUNCIL APPOINTMENTS
2001

STATUTORY COMMITTEES & BOARDS

Board of Cemetery Trustees	Bea Holland		
Capital Regional District	Mayor Alan Lowe	Alt:	David McLean
	Jane Lunt		Bea Holland
	Denise Savoie		Art Vanden Berg
Capital Regional Water Supply Commission	Rob Fleming	Alt:	Bea Holland
(replaces: Greater Victoria Water District)	Jane Lunt		
	Art Vanden Berg		
Greater Victoria Intermunicipal Committee	Bea Holland		
	Pamela Madoff		
Family Court	Helen Hughes		
Greater Victoria Public Library	David McLean		
Greater Victoria Labour Relations Association	Mayor Alan Lowe		
	David McLean		
Royal/McPherson Theatres Society	Bea Holland		
Provincial Capital Commission	Rob Fleming		
	Art Vanden Berg		
Regional Transit Board	Mayor Alan Lowe		
	Rob Fleming		
Victoria Civic Heritage Trust	Pamela Madoff		
Victoria Heritage Foundation	Pamela Madoff		
Victoria Parks & Recreation Foundation	Denise Savoie		
Victoria Police Board	Mayor Alan Lowe		
Victoria Conference Centre Board	Mayor Alan Lowe	Alt:	David McLean

COMMUNITY COMMITTEES

Business Improvement Association	Helen Hughes	Alt:	David McLean
Greater Victoria Economic Dev Commission	Mayor Alan Lowe	Alt:	David McLean
Tourism Victoria	David McLean		
St. Ann's Academy Advisory Committee	Pamela Madoff		
Greater Victoria Airport Authority	Art Vanden Berg		

NEIGHBOURHOOD LIAISON

Downtown	Helen Hughes
Harris Green	Helen Hughes
Vic West	Denise Savoie
Burnside/Gorge	Denise Savoie
Fernwood	Rob Fleming
Oaklands	Pamela Madoff
South Jubilee	Pamela Madoff
North Jubilee	Pamela Madoff
Fairfield	David McLean
Gonzales	David McLean
Rockland	Jane Lunt
James Bay	Bea Holland
North Park	Art Vanden Berg
Blanshard	Art Vanden Berg

ADVISORY COMMITTEES OF COUNCIL

Advisory Planning Commission	Pamela Madoff		
Victoria Advisory Design Panel	Jane Lunt		
Downtown Advisory Committee	Helen Hughes	Alt:	Art Vanden Berg
Environment Advisory Committee	Art Vanden Berg		
Heritage Advisory Committee	Pamela Madoff		
Honorary Citizens Committee	Helen Hughes		
Parks and Recreation Commission	Denise Savoie		
Public Art Advisory Committee	Pamela Madoff		
Advisory Transportation Committee	Jane Lunt	Alt:	Denise Savoie
Social Planning and Housing Committee	Rob Fleming		
Victoria Athletic Commission	David McLean		

STANDING COMMITTEES

Finance Standing Committee	David McLean
	Rob Fleming
	Bea Holland
Personnel Standing Committee	David McLean
	Rob Fleming
	Bea Holland

MAYORS OF VICTORIA

1862 to 1865	Thomas Harris
1866	Lumley Franklin
1867	William J. Macdonald
1868 to 1870	James Trimble
1871	A. Rocke Robertson
1872	Richard Lewis
1873	James E. McMillan
1874	William Dalby
1875 to 1876	J.S. Drummond
1877	M.W.T. Drake
1878	Roderick Finlayson
1879 to 1881	J.H. Turner
1882	Noah Shakespeare
1883; 1897 to 1899	Charles E. Redfern
1884	Joseph W. Carey
1885	R.P. Rithet
1886 to 1887	James Fell
1888 to 1891	John Grant
1892 to 1893; 1896	Robert Beaven
1894 to 1895	John Teague
1900 to 1902	Charles Hayward
1903	A.G. McCandless
1904 to 1905	Harry Barnard
1906 to 1907; 1910 to 1911; 1913	A.J. Morley
1908 to 1909	Lewis Hall
1912	J.L. Beckwith
1914 to 1916	Alexander Stewart
1917 to 1918	A.E. Todd
1919 to 1921	R.J. Porter
1922	William Marchant
1923 to 1924	Reginald Hayward
1925 to 1928	J. Carl Pendray
1929 to 1931	Herbert Anscomb
1932 to 1936	David Leeming
1937 to 1944	Andrew McGavin
1945 to 1951	Percy E. George
1952 to 1956	Claude L. Harrison
1957 to 1961	Percy B. Scurrah
1962 to 1965	Richard Biggerstaff Wilson
1966	Alfred Walter Toone
1967 to 1969	Hugh R. Stephen
1970 to 1971	J. Courtney Haddock
1972 to 1975; 1982 to 1985	G. Peter A. Pollen
1976 to 1979	Michael D.W. Young
1980 to 1981	William D. Tindall
1986 to 1990	Gretchen Brewin
1991 to 1993	David Turner
1994 to 1999	Bob Cross
1999 to	Alan Lowe

Taxable Assessments

1999

Property Class	General	Hospital	School
Residential	$4,914,016,699	$4,914,016,699	$4,914,016,699
Utilities	$7,365,840	$48,367,840	$76,318,352
Industrial - Light	$24,255,700	$24,255,700	$24,255,700
Business	$1,946,555,435	$1,946,555,435	$1,948,027,335
Seasonal	$9,804,101	$9,804,101	$9,804,101
	$6,901,997,775	$6,942,999,775	$6,972,422,187
Seasonal	$12,475,401	$12,475,401	$12,475,401
	$6,924,277,277	$6,965,279,277	$6,994,701,689

2000

Property Class	General	Hospital	School
Residential	$4,870,426,502	$4,870,426,502	$4,870,426,502
Utilities	$7,806,925	$49,624,925	$77,301,145
Industrial - Light	$26,536,700	$26,536,700	$26,536,700
Business	$2,033,374,011	$2,033,374,011	$2,034,785,311
Seasonal	$8,949,301	$8,949,301	$8,949,301
	$6,947,093,439	$6,988,911,439	$7,017,998,959

Taxable Assessments

1999

Property Class	General	Hospital	School
Residential	$4,914,016,699	$4,914,016,699	$4,914,016,699
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Seasonal	$9,804,101	$9,804,101	$9,804,101
	$6,901,997,775	$6,942,999,775	$6,972,422,187
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Seasonal	$8,949,301	$8,949,301	$8,949,301
	$6,947,093,439	$6,988,911,439	$7,017,998,959

Tax Rates
Dollars Per $1000 Of Taxable Assessment

1999

Property Class	Municipal	Regional District	Hospital District	Assessment Authority	Finance Authority	School Residential	Non - Residential	B.C. Transit Authority	Total
Residential	5.0093	0.5515	0.262	0.1247	0.0003	3.472		0.1197	9.53950
Utilities	34.088	3.7533	0.917	0.5936	0.0006		15.0000	0.6464	54.99890
Industrial - Light	13.0592	1.4379	0.8908	0.3753	0.0006		9.9000	0.6464	26.31020
Business	13.6352	1.5013	0.6419	0.3604	0.0002		9.9000	0.6464	26.68540
Seasonal	9.3658	1.0312	0.262	0.1409	0.0002		4.5000	0.1197	15.41980

2000

Property Class	Municipal	Regional District	Hospital District	Assessment Authority	Finance Authority	School Residential	Non - Residential	B.C. Transit Authority	Total
Residential	5.1662	0.6472	0.2782	0.1271	0.0003	3.5305		0.1207	9.87020
Utilities	32.6270	4.0875	0.9738	0.6136	0.0006		15.0000	0.6518	53.95430
Industrial - Light	13.5690	1.6999	0.9460	0.3702	0.0006		9.9000	0.6518	27.13750
Business	13.3618	1.6740	0.6817	0.3591	0.0002		9.9000	0.6518	26.62860
Seasonal	10.2844	1.2884	0.2782	0.1435	0.0002		4.5000	0.1207	16.61540

Tax Rates
Dollars Per $1000 Of Taxable Assessment

1999

Property Class	Municipal	Regional District	Hospital District	Assessment Authority	Finance Authority	School Residential	School Non - Residential	B.C. Transit Authority	Total
Residential	5.0093	0.5515	0.262	0.1247	0.0003	3.472		0.1197	9.53950
Utilities	34.088	3.7533	0.917	0.5936	0.0006		15.0000	0.6464	54.99890
Industrial - Light	13.0592	1.4379	0.8908	0.3753	0.0006		9.9000	0.6464	26.31020
Business	13.6352	1.5013	0.6419	0.3604	0.0002		9.9000	0.6464	26.68540
Seasonal	9.3658	1.0312	0.262	0.1409	0.0002		4.5000	0.1197	15.41980

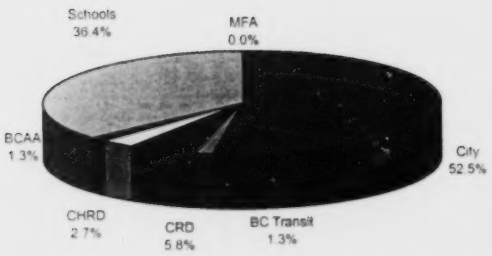
2000

Property Class	Municipal	Regional District	Hospital District	Assessment Authority	Finance Authority	School Residential	School Non - Residential	B.C. Transit Authority	Total
Residential	5.1662	0.6472	0.2782	0.1271	0.0003	3.5305		0.1207	9.87020
Utilities	32.6270	4.0875	0.9738	0.6136	0.0006		15.0000	0.6518	53.95430
Industrial - Light	13.5690	1.6999	0.9460	0.3702	0.0006		9.9000	0.6518	27.13750
Business	13.3618	1.6740	0.6817	0.3591	0.0002		9.9000	0.6518	26.62860
Seasonal	10.2844	1.2884	0.2782	0.1435	0.0002		4.5000	0.1207	16.61540

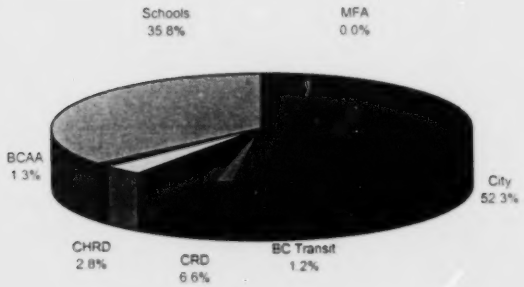
WHERE YOUR PROPERTY TAX DOLLAR IS GOING

RESIDENTIAL PROPERTY CLASS

1999

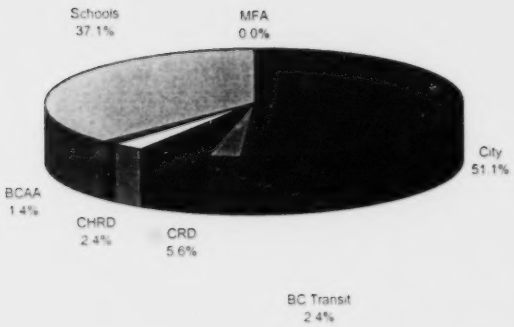


2000

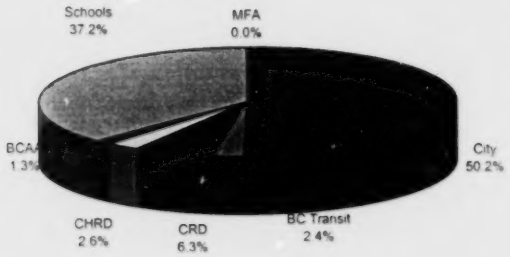


BUSINESS PROPERTY CLASS

1999



2000

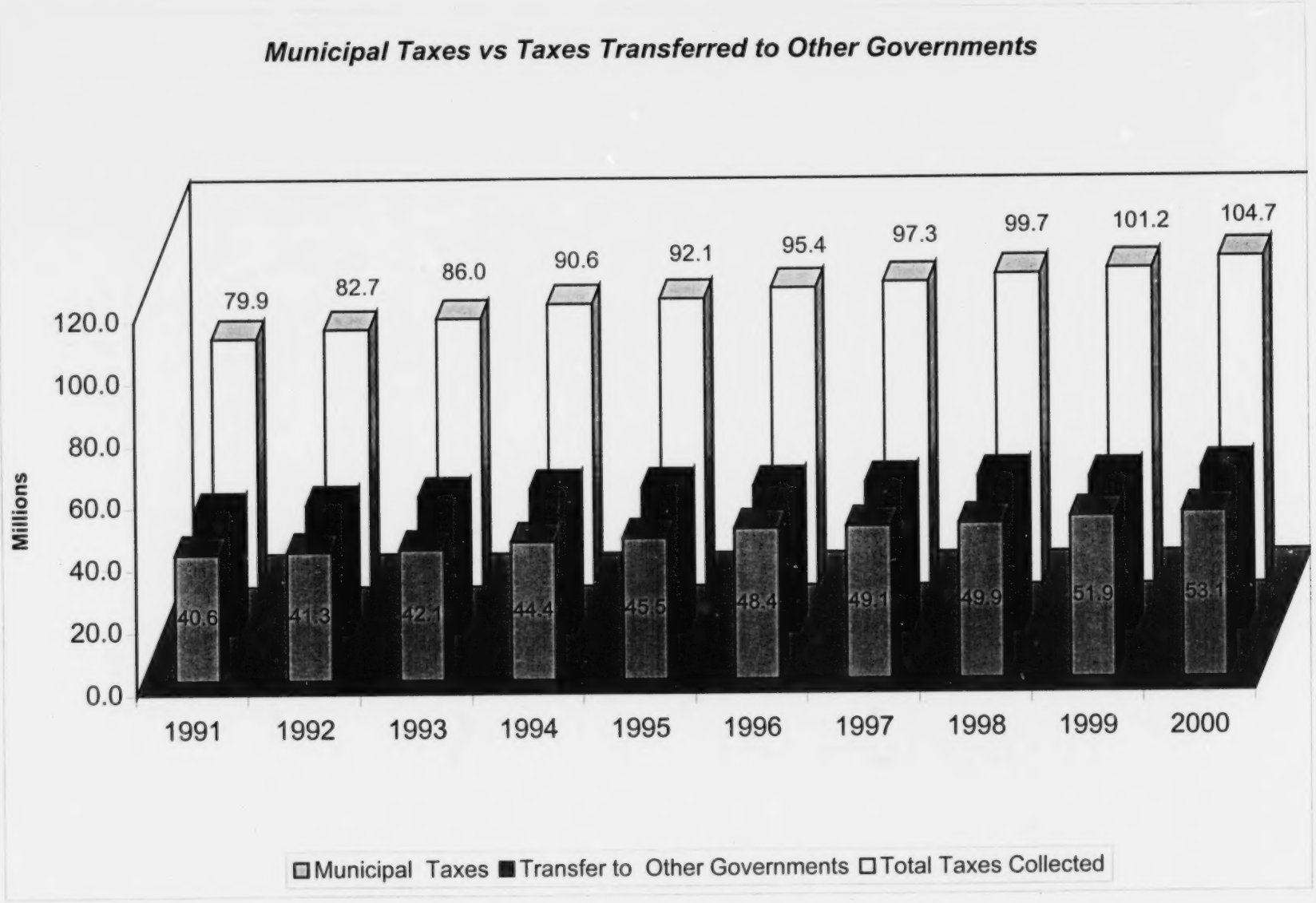


Taxes Levied - Last Ten Years

Year	General And Debt	Hospital District	Regional District	Assessment Authority	Finance Authority	School District	B.C. Transit Authority	Frontage Taxes	Tax Penalties	Total Taxes
1991	40,596,378	2,937,688	4,446,906	1,039,819	2,635	30,887,331		915,920	571,016	81,397,693
1992	41,328,987	2,962,278	4,808,395	1,273,773	2,701	32,336,603		1,027,071	468,712	84,208,520
1993	42,050,308	2,983,740	5,062,344	1,330,405	2,674	34,611,729		1,227,338	451,698	87,720,236
1994	44,377,279	2,888,543	5,171,064	1,331,717	2,493	35,123,329	1,706,525	1,321,758	468,026	92,390,734
1995	45,453,118	2,405,524	5,063,285	1,351,103	2,244	36,105,507	1,730,813	1,377,782	452,200	93,941,576
1996	48,414,923	1,929,700	5,648,561	1,327,582	2,231	36,280,991	1,838,430	1,493,567	449,827	97,385,812
1997	49,128,956	2,844,824	4,741,773	1,364,215	2,585	37,270,958	1,914,392	1,491,074	421,832	99,180,609
1998	49,863,512	2,902,258	5,100,006	1,376,354	1,927	38,494,971	1,916,816	1,555,784	499,490	101,711,118
1999	51,894,546	2,605,414	5,705,304	1,353,521	1,909	37,775,962	1,894,588	1,602,761	466,558	103,300,563
2000	53,117,033	2,817,042	6,644,641	1,390,796	1,914	38,801,920	1,963,959	1,627,683	566,738	106,931,726

Tax Collection - Last Ten Years

	Total Current Taxes Levied	Current Taxes Paid	Percentage	Arrears Outstanding At Beginning Of Year	Arrears Collected	Percentage	Total Tax Collections
1991	81,397,693	78,072,172	95.91%	3,916,408	2,109,763	53.87%	80,181,935
1992	84,208,520	81,283,477	96.53%	5,132,166	3,810,794	74.25%	85,094,271
1993	87,720,236	84,909,623	96.80%	4,246,415	2,924,360	68.87%	87,833,983
1994	92,390,734	89,726,003	97.12%	4,132,668	3,551,802	85.94%	93,277,805
1995	93,941,576	91,336,017	97.23%	3,245,597	2,220,597	68.42%	93,556,614
1996	97,385,812	94,511,212	97.05%	3,630,559	2,603,396	71.71%	97,114,608
1997	99,180,609	96,706,273	97.51%	3,901,763	2,895,982	74.22%	99,602,255
1998	101,711,118	99,040,723	97.37%	3,480,117	2,833,308	81.41%	101,874,031
1999	103,300,563	100,572,932	97.36%	3,317,204	2,340,368	70.55%	102,913,301
2000	106,931,726	104,204,095	97.45%	3,704,502	2,494,819	67.35%	106,698,914


Municipal Taxes vs Taxes Transferred to Other Governments
Millions
120.0
100.0
80.0
60.0
40.0
20.0
0.0
79.9
82.7
86.0
90.6
92.1
95.4
97.3
99.7
101.2
104.7
40.6
41.3
42.1
44.4
45.5
48.4
49.1
49.9
51.9
53.1
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
Municipal Taxes
Transfer to Other Governments
Total Taxes Collected

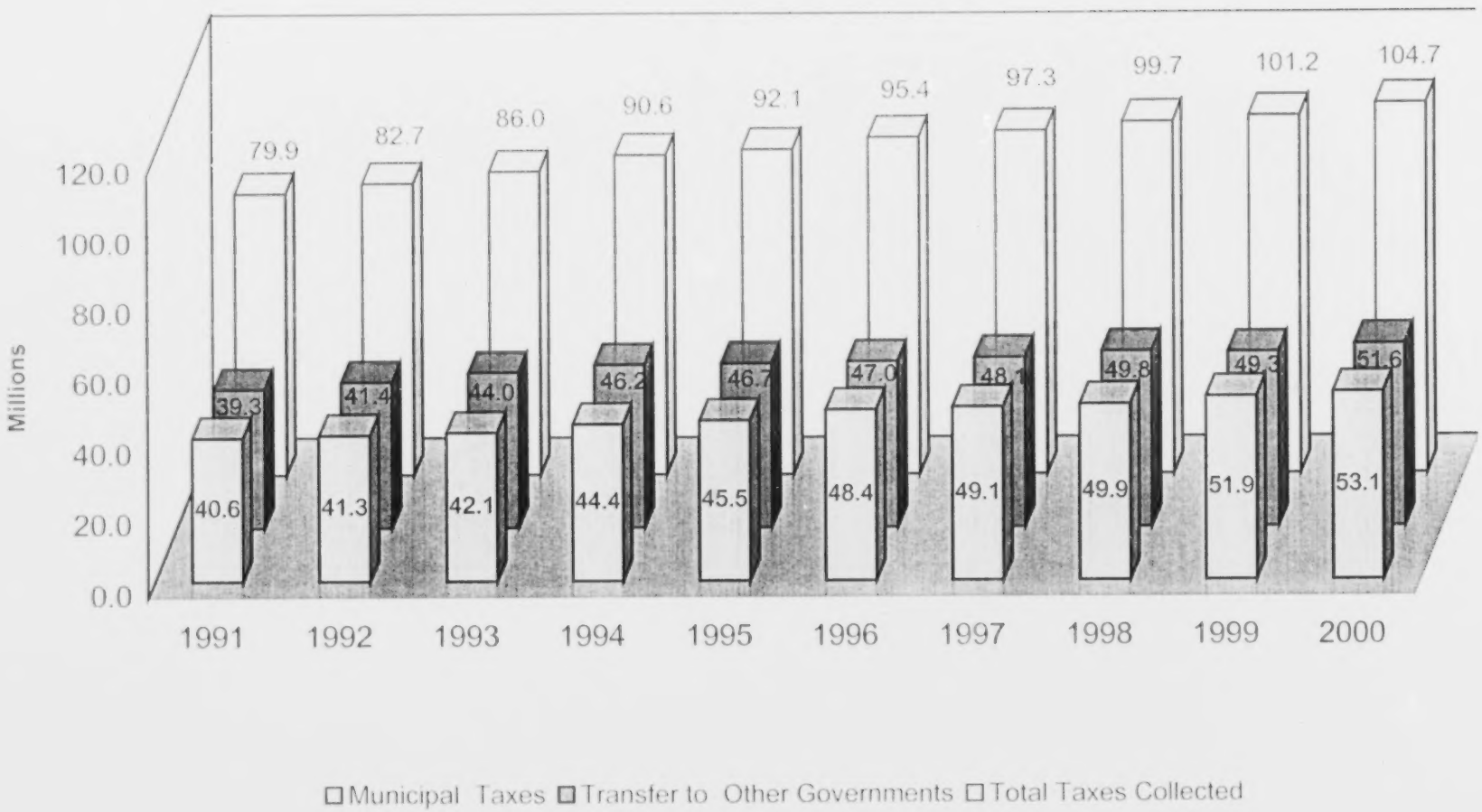
Taxes Levied - Last Ten Years

Year	General And Debt	Hospital District	Regional District	Assessment Authority	Finance Authority	School District	B.C. Transit Authority	Frontage Taxes	Tax Penalties	Total Taxes
1991	40,596,378	2,937,688	4,446,906	1,039,819	2,635	30,887,331		915,920	571,016	81,397,693
1992	41,328,987	2,962,278	4,808,395	1,273,773	2,701	32,336,603		1,027,071	468,712	84,208,520
1993	42,050,308	2,983,740	5,062,344	1,330,405	2,674	34,611,729		1,227,338	451,698	87,720,236
1994	44,377,279	2,888,543	5,171,064	1,331,717	2,493	35,123,329	1,706,525	1,321,758	468,026	92,390,734
1995	45,453,118	2,405,524	5,063,285	1,351,103	2,244	36,105,507	1,730,813	1,377,782	452,200	93,941,576
1996	48,414,923	1,929,700	5,648,561	1,327,582	2,231	36,280,991	1,838,430	1,493,567	449,827	97,385,812
1997	49,128,956	2,844,824	4,741,773	1,364,215	2,585	37,270,958	1,914,392	1,491,074	421,832	99,180,609
1998	49,863,512	2,902,258	5,100,006	1,376,354	1,927	38,494,971	1,916,816	1,555,784	499,490	101,711,118
1999	51,894,546	2,605,414	5,705,304	1,353,521	1,909	37,775,962	1,894,588	1,602,761	466,558	103,300,563
2000	53,117,033	2,817,042	6,644,641	1,390,796	1,914	38,801,920	1,963,959	1,627,683	566,738	106,931,726

Tax Collection - Last Ten Years

	Total Current Taxes Levied	Current Taxes Paid	Percentage	Arrears Outstanding At Beginning Of Year	Arrears Collected	Percentage	Total Tax Collections
1991	81,397,693	78,072,172	95.91%	3,916,408	2,109,763	53.87%	80,181,935
1992	84,208,520	81,283,477	96.53%	5,132,166	3,810,794	74.25%	85,094,271
1993	87,720,236	84,909,623	96.80%	4,246,415	2,924,360	68.87%	87,833,983
1994	92,390,734	89,726,003	97.12%	4,132,668	3,551,802	85.94%	93,277,805
1995	93,941,576	91,336,017	97.23%	3,245,597	2,220,597	68.42%	93,556,614
1996	97,385,812	94,511,212	97.05%	3,630,559	2,603,396	71.71%	97,114,608
1997	99,180,609	96,706,273	97.51%	3,901,763	2,895,982	74.22%	99,602,255
1998	101,711,118	99,040,723	97.37%	3,480,117	2,833,308	81.41%	101,874,031
1999	103,300,563	100,572,932	97.36%	3,317,204	2,340,368	70.55%	102,913,301
2000	106,931,726	104,204,095	97.45%	3,704,502	2,494,819	67.35%	106,698,914

Municipal Taxes vs Taxes Transferred to Other Governments



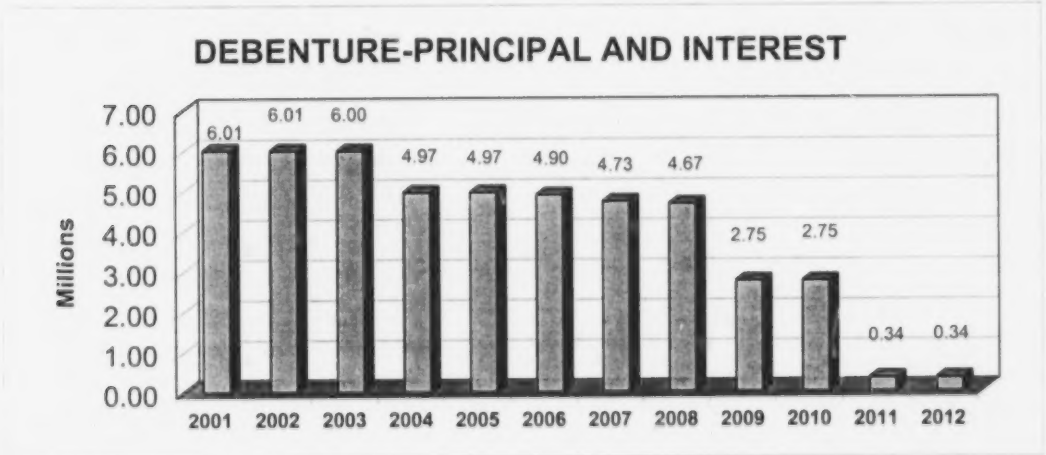
PRINCIPAL TAXPAYERS AND PERCENTAGE OF TOTAL TAXES

2000

Cambridge Shopping Centres Limited	$2,527,852.66	2.38%
Bentall Properties Ltd./Sears Canada Inc.	$1,909,796.08	1.80%
Legacy Empress Title Corp.	$1,604,139.00	1.51%
527701 British Columbia Ltd.	$1,521,540.68	1.43%
B. C. Telephone Company	$1,099,372.14	1.03%
596961 British Columbia Ltd.	$629,010.18	0.59%
Columbus Real Estate	$611,792.10	0.58%
Grampian Holdings Ltd.	$604,791.74	0.57%
Jawl Holdings Ltd.	$577,680.50	0.54%
Paul's Restaurants Ltd.	$538,587.82	0.51%
Gill Am Intestments Ltd.	$516,202.99	0.49%
Sussex Place Equities Ltd.	$506,992.85	0.48%
Daishinpan (Canada) Inc	$496,686.02	0.47%
Canadian Imperial Bank of Commerce	$496,529.96	0.47%
Pacific Sun Hotel Inc.	$439,734.91	0.41%
B.C. Hydro & Power Authority	$429,022.44	0.40%
Westside Village	$388,463.57	0.37%
Daishipan Co Ltd.	$385,927.64	0.36%
BC Transit	$380,570.62	0.36%
Sophie Investments Inc.	$371,414.59	0.35%
Capital Region Housing Corp.	$364,395.38	0.34%
Park Pacific Apartments Ltd.	$355,222.61	0.33%
Okabe North America Inc	$330,444.80	0.31%
Associated Building Credits Ltd.	$327,548.00	0.31%
Ruth Singer Investments Ltd.	$323,078.67	0.30%
International Travel Inns Ltd.	$316,451.40	0.30%
Executive House Ltd.	$313,818.95	0.30%
Meister Urban	$305,754.64	0.29%
Wilson Kool Limited	$302,572.54	0.28%
Royal Trust Corporation of Canada	$300,068.80	0.28%
Congdon Construction (1986) Ltd	$299,032.32	0.28%
Island Farms Dairies Co-operative	$293,364.80	0.28%
309571 B.C. Ltd.	$267,264.77	0.25%
Saratoga Investments Limited	$266,719.11	0.25%
Seneca Holdings Ltd.	$263,031.09	0.25%
Canada Safeway Limited	$262,048.61	0.25%
Sekotac Canada Inc	$261,156.01	0.25%
Downtown Development (Ontario) Ltd.	$255,944.20	0.24%
Wottrich Holdings Ltd.	$254,983.33	0.24%
Hudson's Bay Company Properties	$254,931.63	0.24%
569508 B.C. Ltd.	$253,962.22	0.24%
Yates Street Properties Ltd.	$251,196.43	0.24%
Royal Island Holdings Ltd.	$250,491.75	0.24%
Centra Gas B.C. Ltd.	$247,193.24	0.23%
Yennadon Holdings Ltd.	$246,012.46	0.23%
Amon Investments Ltd.	$245,375.71	0.23%
The Royal Trust Company	$242,665.65	0.23%
Sears Canada Inc.	$241,813.03	0.23%
Canada Life Assurance Co.	$234,229.06	0.22%
Nasram Holdings Ltd.	$227,676.09	0.21%
	$24,394,555.79	22.96%

Debenture Principal Outstanding
December 31, 2000

By Law Number	Interest	Purpose	Maturity Date		Amount
83-19	12.35%	**Capital Budget #3**	June 15,2003		2,613,337
		South Coast Storm Drains			
91-34	10.07%	First Borrowing	May 8,2006	$640,595	
92-114	8.30%	Second Borrowing	January 12,2008	934,021	
93-130	8.00%	Third Borrowing	November 18,2008	1,245,361	
					2,819,977
		Downtown Revitalization			
90-23	9.00%	First Borrowing	March 18,2006	180,868	
92-28	6.00%	Second Borrowing	June 30,2008	127,875	
					308,744
		Capital Budget #4			
		Police Station			
93-130	8.00%	First Borrowing	November 18,2008	4,358,764	
95-58	8.00%	Second Borrowing	December 1,2010	7,439,296	
97-35	5.85%	Third Borrowing	November 5, 2012	533,691	
		Shoreline Protection			
93-130	8.00%	First Borrowing	November 18,2008	934,021	
95-58	8.00%	Second Borrowing	December 1,2010	1,859,824	
97-35	5.85%	Third Borrowing	November 5, 2012	1,835,898	
		Roads			
93-130	8.00%	First Borrowing	November 18,2008	$934,021	
95-58	8.00%	Second Borrowing	December 1,2010	$1,934,217	
95-58	8.00%	Fire Station	December 1,2010	$1,115,894	
					20,945,626
		1992 Sewer and Storm Drains Projects			
93-130	8.00%	First Borrowing	November 18,2008	1,245,361	
95-58	8.00%	Second Borrowing	December 1,2010	1,859,824	
97-35	5.85%	Third Borrowing	November 5, 2012	375,719	
					3,480,904
					$30,168,587



Debenture Principal Outstanding
December 31, 2000

By Law Number	Interest	Purpose	Maturity Date		Amount
83-19	12.35%	**Capital Budget #3**	June 15,2003		2,613,337
		South Coast Storm Drains			
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93-130	8.00%	Third Borrowing	November 18,2008	1,245,361	
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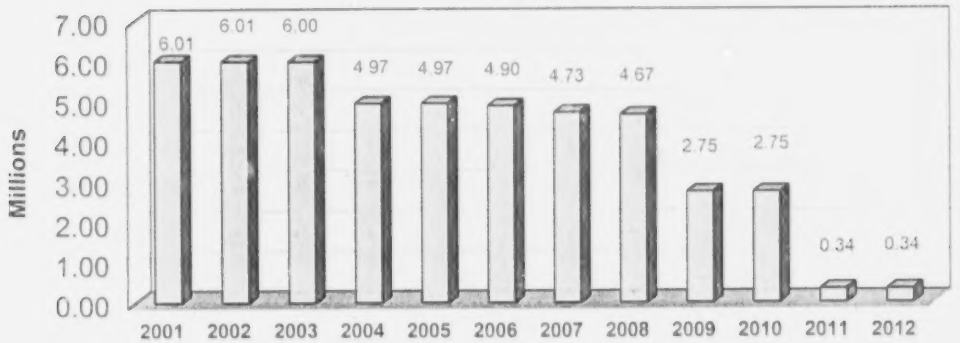
		Downtown Revitalization			
90-23	9.00%	First Borrowing	March 18,2006	180,868	
92-28	6.00%	Second Borrowing	June 30,2008	127,875	
					308,744
		Capital Budget #4			
		Police Station			
93-130	8.00%	First Borrowing	November 18,2008	4,358,764	
95-58	8.00%	Second Borrowing	December 1,2010	7,439,296	
97-35	5.85%	Third Borrowing	November 5, 2012	533,691	
		Shoreline Protection			
93-130	8.00%	First Borrowing	November 18,2008	934,021	
95-58	8.00%	Second Borrowing	December 1,2010	1,859,824	
97-35	5.85%	Third Borrowing	November 5, 2012	1,835,898	
		Roads			
93-130	8.00%	First Borrowing	November 18,2008	$934,021	
95-58	8.00%	Second Borrowing	December 1,2010	$1,934,217	
95-58	8.00%	Fire Station	December 1,2010	$1,115,894	
					20,945,626
		1992 Sewer and Storm Drains Projects			
93-130	8.00%	First Borrowing	November 18,2008	1,245,361	
95-58	8.00%	Second Borrowing	December 1,2010	1,859,824	
97-35	5.85%	Third Borrowing	November 5, 2012	375,719	
					3,480,904
					$30,168,587

DEBENTURE-PRINCIPAL AND INTEREST



GENERAL REVENUE FUND GRANTS

Year Ended December 31

	2000	1999
Art Gallery of Greater Victoria	$ 65,813.00	$ 62,432.00
Adult Outreach Program	12,500.00	
BC Festival of the Arts		17,600.00
BC Muslum Association	737.63	746.93
BC Summer Games	74,990.13	
Belfry Theatre	79,323.00	41,947.00
Blanshard Community Centre	7,400.00	
Boys' and Girls' Clubs of Greater Victoria	10,000.00	10,000.00
Burnside Gorge Community Assoc Yth Outreach	20,000.00	10,000.00
Canadian Flag Association		500.00
CineVic Society of Independent Filmmakers	1,000.00	
Common Ground Community Mapping Project	2,600.00	
Commonwealth Wrestling Club, The	400.00	
Community Arts Council	3,667.00	3,512.00
Community Assoc. Network/Fairfield Community	1,150.00	1,150.00
Community Economic Dev Corp	7,500.00	15,000.00
Community Social Planning Council	12,685.50	12,337.00
Community Social Planning Council-CRUNCH		10,000.00
Concentus Corvinus		780.40
Downtown Blanshard Advisoy Committee		7,800.00
Downtown Victoria Business Association	620,423.49	585,459.70
Downtown Community Activity Centre	1,500.00	
Drug & Alcohol Rehabilitation Society		2,000.00
Ensemble Theatre Company		585.30
Fairfield Community Place	1,000.00	
Federation of Cdn Municipalities-NHPOT	1,500.00	2,283.63
Fernwood Community Centre	1,200.00	
George Jay Elementary		500.00
Greater Victoria Bike to Work Society	1,500.00	1,000.00
Greater Victoria Economic Development	40,000.00	40,000.00
Greater Victoria Film Commission	50,000.00	40,000.00
Greater Victoria Youth Orchestra	1,351.00	1,756.30
Heritage Society of B.C.		5,000.00
Humanities 101		1,000.00
Independent Film & Video Festival	1,158.00	780.00
Integrated Recreation	23,795.00	23,443.00
Intercultural Association of Greater Victoria		15,000.00
Intermunicipal Committee (Arts)	51,202.00	47,000.92
Intrepid Theatre	5,018.00	5,073.00
Island Repetory Company	579.00	
James Bay Community Project	10,000.00	10,000.00

	2000	1999
Kaleidoscope Theatre	4,246.00	3,902.00
Kiwanis Club	8,000.00	12,000.00
Lifecycles	3,000.00	
Literary Arts Festival	2,683.00	2,712.00
Maritime Museum of BC Society	22,000.00	20,000.00
McPherson Theatre	100,000.00	
NEED - Victoria Crisis Line	11,667.00	11,794.00
Open Space Gallery	6,755.00	6,438.00
Other Guys Theatre Co. Society, The	598.30	
Pacific Opera Victoria	21,809.00	36,288.40
Pacific Sport	10,000.00	
Palm Court Orchestra	965.00	683.00
Performing Arts Festival Society	579.00	390.00
Queen Alexandra Foundation for Children		500.00
Rogue Art Society	3,165.20	1,756.00
RootsFest-Capital Region Festival Society	1,930.00	
Royal Victoria Marathon Society		1,000.00
St. John Ambulance	2,186.00	2,209.00
Story Theatre Company	4,825.00	4,878.00
Street Volunteers, The		800.00
Suddenly Dance Theatre	1,467.00	2,126.50
Theatre Inconnu	4,825.00	4,487.00
Tic Toc Festival of New Performance	1,158.00	
Tourism DMC	1,931,412.50	2,009,709.75
Tourism Victoria	60,000.00	60,000.00
United Nations Association in Canada		500.00
Unity Church Association	570.00	
Vancouver Island Advanced Technology Ctre (VIATeC)	25,000.00	
Vancouver Island Railway Society		1,500.00
Victoria A.M. Association	500.00	17,000.00
Victoria Car Share Co-Op		4,000.00
Victoria Civic Heritage Trust	277,500.00	177,500.00
Victoria College of Art	1,737.00	1,171.00
Victoria Compost Education Centre	15,000.00	15,000.00
Victoria Confederation of Parent Advisory Counc	15,500.00	10,500.00
Victoria Conservatory of Music	13,703.00	14,157.00
Victoria Cool Aid Society	44,000.00	
Victoria Dance Series	579.00	975.50
Victoria Foundation - Millennium Registry		5,000.00
Victoria Heritage Foundation	105,000.00	80,100.00
Victoria Independent Film & Video Festival	386.00	
Victoria International Blossom Walks Society	1,000.00	
Victoria Jazz Society	7,913.00	7,024.00
Victoria Junior Chess Club	1,875.00	
Victoria Marine Rescue-Rescue Boat		5,000.00
Victoria Military Music Festival Society	386.00	

	2000	1999
Victoria Operatic Society	965.00	2,395.00
Victoria Police Community Services Society	800.00	
Victoria Police Historical Society		500.00
Victoria School of Writing		234.12
Victoria Symphony Society	55,005.00	50,336.00
Victoria Volunteer Bureau	8,298.00	8,388.00
Victoria Youth Choirs	965.00	583.00
Victoria Youth Empowerment Society	25,000.00	25,000.00
Workstreams Training Options Project	7,500.00	
Xchanges Gallery	1,351.00	1,093.00
YM/YWCA	2,500.00	4,000.00
GRAND TOTAL	**$ 3,926,296.75**	**$ 3,588,317.45**

CONSTRUCTION PERMITS - LAST TEN YEARS

YEAR	QUANITY	VALUE
1991	3955	74,400,973
1992	4355	113,214,020
1993	4053	110,792,281
1994	4182	111,822,397
1995	3647	121,181,916
1996	3048	109,814,499
1997	3062	83,900,000
1998	2705	71,796,031
1999	2948	178,303,449
2000	2848	103,137,683

MISCELLANEOUS STATISTICS

Date of Incorporation:	August 2, 1862
Population (latest census):	75,283
Voters List - Electors:	48,900
Land Area:	2,335 hectares
Length of Roadways:	259.73 km
Length of Sanitary Sewers and Storm Drains:	479 km.
Water Distribution System:	
Length	304 km.
Number of hydrants	1,634
Number of services	18,706
Fire Protection:	
Number of uniformed employees	107
Number of civilian employees	5
Number of stations	3
Number of responses in 2000	5,622
Dollar value of losses	5,675,677
Inspections performed	5,732
Police Protection:	
Number of uniformed employees	188
Number of civilian employees	60
Number of crimes in 2000	22,049
Parks:	
Number of parks, playlots, etc.	123
Land area	258 hectares

THE CORPORATION OF THE CITY OF VICTORIA

AUDITED

FINANCIAL STATEMENTS

THE CORPORATION OF THE CITY OF VICTORIA

Audited Financial Statements

Year ended December 31, 2000

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FINANCIAL REPORTING RESPONSIBILITY

The accompanying statements of The Corporation of the City of Victoria are the responsibility of management. To ensure their integrity, objectivity and reliability, management has selected appropriate accounting policies that are consistent with generally accepted accounting principles for local governments as recommended by the Public Sector Board of the Canadian Institute of Chartered Accountants. The financial statements necessarily include some amounts that are based on estimates and the judgment of management with appropriate consideration to materiality.

The City's accounting systems and related internal controls and supporting procedures are designed and maintained to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorized use or disposition. The procedures include training and selection of qualified staff, the establishment of an organizational structure that provides a well defined division of responsibilities, accountability for performance and communication of standards of business conduct.

The Municipal Council, acting through its Standing Committees, oversees management's responsibilities for the financial reporting and internal control systems. The Committees meet periodically with management and the independent auditors to satisfy themselves that management's responsibilities are properly discharged, to review the consolidated financial statements and to recommend approval of the consolidated financial statements to Council.

The Ministry of Municipal Affairs conducts examinations and makes such inquiries as may be deemed necessary to ensure that the provisions of the appropriate legislation are being duly observed and that the City is in sound financial condition.

KPMG LLP, Chartered Accountants, the independent auditors appointed by the City have examined these financial statements and issued their report which follows. The auditors have full and unrestricted access to the Council to discuss their audit and their related findings as to integrity of the financial reporting process.

City Manager

Manager of Financial Services

KPMG LLP
Chartered Accountants
St. Andrew's Square II
800 - 730 View Street
Victoria BC V8W 3Y7

Telephone (250) 480-3500
Telefax (250) 480-3539
www.kpmg.ca

AUDITORS' REPORT TO THE MAYOR AND COUNCILLORS OF THE CORPORATION OF THE CITY OF VICTORIA

We have audited the consolidated statement of financial position of The Corporation of the City of Victoria as at December 31, 2000 and the related consolidated statements of financial activities and changes in financial position and the statements of operating funds, capital funds and reserve funds for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Victoria, Canada

March 16, 2001

THE CORPORATION OF THE CITY OF VICTORIA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION **STATEMENT A**

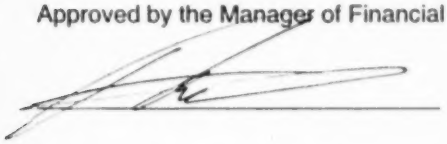
December 31, 2000, with comparative figures for 1999

	2000	1999
Financial Assets		
Cash and short-term investments (note 2)	$ 18,749,407	$ 26,164,780
Property taxes receivable	3,785,831	3,704,467
Accounts receivable	5,849,988	5,662,402
Prepaid expenditures	525,538	748,493
Inventories for resale	22,204	31,953
Municipal Finance Authority debt reserve fund deposits (note 3)	3,570,783	3,533,983
Property acquired for taxes	136,255	170,795
Long-term investments (note 4)	13,030,575	12,292,619
	45,670,581	52,309,492
Liabilities		
Accounts payable	8,231,267	8,486,188
Prepaid property taxes	291,389	476,554
Deferred revenue	581,086	397,263
Other liabilities	1,569,223	1,759,507
Municipal Finance Authority debt reserve fund deposits (note 3)	3,570,783	3,533,983
Employee benefit obligations (note 5)	3,970,311	907,345
Long-term debt (note 6)	30,169,204	33,182,910
	48,383,263	48,743,750
Net financial assets	(2,712,682)	3,565,742
Physical assets (note 7)	319,244,441	302,941,643
Total net financial assets and physical assets	$ 316,531,759	$ 306,507,385
Municipal Position		
Operating Funds (Statement C) (note 8)	$ 10,530,778	$ 12,344,283
Capital Funds (Statement D) (note 9)	288,285,100	267,789,859
Reserve Funds (Statement E) (note 10)	20,792,194	26,373,243
Unfunded employee benefit obligations	(3,076,313)	-
Total municipal position	$ 316,531,759	$ 306,507,385

Contingent liabilities (note 15)

See accompanying notes to financial statements.

Approved by the Manager of Financial Services:



THE CORPORATION OF THE CITY OF VICTORIA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES **STATEMENT B**

Year ended December 31, 2000, with comparative figures for 1999

	Actual 2000	Budget 2000	Actual 1999
Revenues:			
Taxes (note 11)	$ 58,090,808	$ 57,905,723	$ 56,888,486
Grants in lieu of taxes (note 12)	3,897,607	3,873,050	3,803,977
Sales of goods and services	20,687,174	20,469,682	21,280,848
Sale of water	7,065,980	6,869,928	7,100,736
Licences and permits	2,550,306	2,555,000	3,733,268
Fines	2,668,478	2,946,000	2,899,228
Rentals and leases	671,724	397,000	654,083
Interest and penalties	3,203,061	1,795,000	2,405,979
Unconditional government transfers (note 13)	571,002	571,000	574,358
Conditional government transfers (note 13)	852,220	2,993,535	2,683,373
Miscellaneous	3,540,986	3,150,850	3,269,819
	103,799,346	103,526,768	105,294,155
Expenditures (note 14):			
General government	17,521,102	19,534,849	16,794,749
Protective services	31,766,481	32,625,819	31,519,933
Transportation services	19,257,565	21,357,534	16,336,876
Environmental and public health services	6,739,556	7,897,551	4,823,716
Community planning	1,049,467	1,178,027	1,279,889
Parks, recreation and cultural services	21,013,855	21,545,037	22,287,968
Water utility	7,513,317	7,503,733	6,842,293
Sewer utility	2,658,321	2,399,966	1,911,745
	107,519,664	114,042,516	101,797,169
Excess (deficiency) of revenues over expenditures	(3,720,318)	(10,515,748)	3,496,986
Debt principal repaid	(2,534,403)	(2,642,329)	(2,727,641)
Change in fund balances	(6,254,721)	(13,158,077)	769,345
Acquisitions funded internally	2,715,496	-	2,540,077
Acquisitions funded externally	16,639,912	-	10,950,641
Unfunded employee benefit obligations	(3,076,313)	-	-
Consolidated fund balances, beginning of year	306,507,385	306,507,385	292,247,322
Consolidated fund balances, end of year	$ 316,531,759	$ 293,349,308	$ 306,507,385

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF VICTORIA

OPERATING FUNDS **STATEMENT C**

Year ended December 31, 2000, with comparative figures for 1999

	Actual 2000	Budget 2000	Actual 1999
Revenues:			
Taxes	$ 58,090,808	$ 57,905,723	$ 56,888,486
Grants in lieu of taxes	3,897,607	3,873,050	3,803,977
Sale of goods and services	19,820,228	20,044,682	19,691,175
Sale of water	7,065,980	6,869,928	7,100,736
Licences and permits	2,550,306	2,555,000	3,733,268
Fines	2,668,478	2,946,000	2,899,228
Rentals and leases	449,612	397,000	427,033
Interest and penalties	3,203,061	1,795,000	2,405,979
Unconditional government transfers	571,002	571,000	574,358
Conditional government transfers	447,104	553,400	490,665
Miscellaneous	3,507,243	3,150,850	3,269,819
	102,271,429	100,661,633	101,284,724
Expenditures:			
General government	15,546,726	15,803,795	15,309,976
Protective services	31,115,340	31,690,558	30,389,440
Transportation services	11,638,473	11,557,646	10,746,195
Environmental and public health services	4,041,945	3,974,524	4,030,972
Community planning	1,049,467	1,178,027	1,279,889
Parks, recreation and cultural services	19,668,182	19,027,504	19,209,191
Water utility	6,042,813	5,755,066	5,660,515
Sewer utility	1,696,788	1,556,265	1,613,508
	90,799,734	90,543,385	88,239,686
Excess of revenues over expenditures	11,471,695	10,118,248	13,045,038
Debt principal repaid	(2,534,403)	(2,642,329)	(2,727,641)
Net transfers to Capital Funds	(5,306,680)	(6,843,171)	(3,786,621)
Net transfers to Reserve Funds	(5,444,117)	(3,259,127)	(5,362,155)
	(13,285,200)	(12,744,627)	(11,876,417)
Change in Operating Funds balances	(1,813,505)	(2,626,379)	1,168,621
Fund balances, beginning of year	12,344,283	12,344,283	11,175,662
Fund balances, end of year (note 8)	$ 10,530,778	$ 9,717,904	$ 12,344,283

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF VICTORIA

CAPITAL FUNDS **STATEMENT D**

Year ended December 31, 2000, with comparative figures for 1999

	Actual 2000	Budget 2000	Actual 1999
Revenues:			
Sale of goods and services	$ 866,946	$ 425,000	$ 1,589,673
Rentals and leases	222,112	-	227,050
Miscellaneous	33,743	-	-
Conditional transfers from other governments	405,116	2,440,135	2,192,708
	1,527,917	2,865,135	4,009,431
Expenditures:			
General government:			
Buildings	1,284,591	2,881,054	775,456
Machinery and equipment	689,785	850,000	709,317
	1,974,376	3,731,054	1,484,773
Protective services:			
Buildings	246,986	185,000	559,834
Machinery and equipment	404,155	750,261	570,659
	651,141	935,261	1,130,493
Transportation services:			
Engineering structures	5,691,891	8,700,731	5,095,580
Buildings	-	19,226	33,001
Machinery and equipment	1,927,201	1,079,931	462,100
	7,619,092	9,799,888	5,590,681
Environmental and public health services:			
Engineering structures	2,649,944	3,923,027	792,744
Land	47,667	-	-
	2,697,611	3,923,027	792,744
Parks, recreation and cultural services:			
Engineering structures	89,715	929,856	685,438
Buildings	655,414	1,112,443	2,353,354
Machinery and equipment	600,544	475,234	39,985
	1,345,673	2,517,533	3,078,777
Water utility	1,470,504	1,748,667	1,181,778
Sewer utility	961,533	843,701	298,237
Total expenditures	16,719,930	23,499,131	13,557,483
Excess of expenditures over revenues	(15,192,013)	(20,633,996)	(9,548,052)
Net transfers from Operating Funds	5,306,680	6,843,171	3,786,621
Net transfers from Reserve Funds	11,025,166	12,357,901	3,558,530
	16,331,846	19,201,072	7,345,151
Increase (decrease) in Capital Funds balances	1,139,833	(1,432,924)	(2,202,901)
Acquisitions funded internally	2,715,496	-	2,540,077
Acquisitions funded externally	16,639,912	-	10,950,641
Change in fund balances	20,495,241	(1,432,924)	11,287,817
Capital Funds balances, beginning of year	267,789,859	267,789,859	256,502,042
Capital Funds balances, end of year (note 9)	$ 288,285,100	$ 266,356,935	$ 267,789,859

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF VICTORIA

RESERVE FUNDS **STATEMENT E**

Year ended December 31, 2000, with comparative figures for 1999

	Actual 2000	Budget 2000	Actual 1999
Balance, beginning of year	$ 26,373,243	$ 26,373,243	$ 24,569,618
Add:			
Transfer from Operating Funds	5,444,117	3,259,127	5,362,155
Transfer from Capital Funds	158,591	-	3,985,725
	5,602,708	3,259,127	9,347,880
Deduct transfer to Capital Funds	11,183,757	12,357,901	7,544,255
Change in Reserve Funds balances	(5,581,049)	(9,098,774)	1,803,625
Reserve Funds balances, end of year (note 10)	$ 20,792,194	$ 17,274,469	$ 26,373,243

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF VICTORIA

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION — STATEMENT F

Year ended December 31, 2000, with comparative figures for 1999

	2000	1999
Cash and short-term investments provided by (used for):		
Operations:		
Excess (deficiency) of revenues over expenditures	$ (3,720,318)	$ 3,496,986
Decrease (increase) in non-cash financial assets:		
Property taxes receivable	(81,364)	(387,263)
Accounts receivable	(187,586)	(543,854)
Prepaid expenditures and other	195,904	488,581
Property acquired for taxes	34,540	630,034
Increase (decrease) in short-term liabilities:		
Accounts payable	(254,921)	471,872
Other liabilities	(115,922)	(1,640,072)
Employee benefit obligations	(13,347)	(419,172)
	(4,143,014)	2,097,112
Investing:		
Decrease in long-term investments	(737,956)	(270,499)
Financing:		
Debt principal repaid	(2,534,403)	(2,727,641)
Decrease in cash and short-term investments	(7,415,373)	(901,028)
Cash and short-term investments, beginning of year	26,164,780	27,065,808
Cash and short-term investments, end of year	$ 18,749,407	$ 26,164,780

See accompanying notes to financial statements.

The Corporation of the City of Victoria (the "City") is a municipality in the Province of British Columbia, Canada and operates under the provisions of the Local Government Act.

1. Significant accounting policies:

The financial statements of the City are prepared by management in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the City are as follows:

(a) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City.

Inter-departmental balances and organizational transactions are eliminated.

The statements exclude trust assets that are administered for the benefit of external parties (note 16).

(b) Basis of accounting:

The basis of accounting followed in the financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues, and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due.

(c) Fund accounting:

Funds within the consolidated financial statements consist of the general operating, sewer operating, water operating, general capital, sewer capital, water capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

(d) Land for resale:

Land for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

1. Significant accounting policies (continued):

(e) Long-term investments:

Investments are recorded at cost except for the investments in the Municipal Finance Authority of British Columbia Bond, Intermediate and Money Market Funds, which are recorded at cost plus interest earned and reinvested in the funds.

(f) Physical assets:

Physical assets, comprised of capital assets, land for future municipal purposes, capital work-in-progress and inventories of materials and supplies, are recognized as expenditures in the period they are acquired. Donated capital assets are reported at estimated fair value at the time of receipt.

Capital assets are carried on the consolidated balance sheet at cost.

Land for future municipal purposes is valued at cost. Inventories of materials and supplies are valued at the lower of cost and replacement cost.

The City does not reflect amortization of capital assets in the financial statements.

(g) Equity in capital assets:

Equity in capital assets represents the historical cost of those capital assets. Equity increases as capital assets are acquired without incurring long-term debt or, where such debt is incurred, by the reduction of that debt. Equity decreases as capital assets are written off on disposal.

(h) Reserve accounts:

Reserve accounts are established within the General Operating Fund to provide for the City's specific requirements. Transfers to and/or from reserve accounts are reflected as an adjustment to the respective accounts.

(i) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

1. Significant accounting policies (continued):

(j) Foreign currency:

Monetary items denominated in U.S. dollars are converted to Canadian dollars for financial statement purposes at approximate exchange rates in effect at the reporting date. Non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenditures are translated at rates in effect at the time of the transactions. Gains and losses on foreign currency translations are included as revenues (expenditures).

(k) Use of estimates:

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

2. Cash and short-term investments:

	2000	1999
Bank account balances	$ 783,863	$ 1,993,082
Bankers' acceptances, special deposits, Municipal Finance Authority bond and money market funds	17,965,544	24,171,698
	$ 18,749,407	$ 26,164,780

3. Municipal Finance Authority debt reserve fund deposits:

Under borrowing arrangements with the Municipal Finance Authority ("MFA"), the City is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As the debt principal is retired, demand notes are released and the cash deposits are refunded and recorded as operating income in the period received.

As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits are held by the MFA to act as security against the possibility of debt repayment default. If the debt is repaid without default, the deposits are refunded to the City.

3. Municipal Finance Authority debt reserve fund deposits (continued):

	2000	1999
Cash deposits	$ 1,043,784	$ 1,006,985
Demand notes	2,526,999	2,526,998
Total	$ 3,570,783	$ 3,533,983

4. Long-term investments:

	Cost		Market value	
	2000	1999	2000	1999
Government and government guaranteed investments, investments guaranteed by a financial institution	$ 2,972,818	$ 3,236,764	$ 3,040,523	$ 3,083,688
Municipal Financial Authority of British Columbia Bond and Intermediate Funds	10,057,757	9,055,855	10,057,757	9,055,855
	$ 13,030,575	$ 12,292,619	$ 13,098,280	$ 12,139,543

Long-term investments excluding the Municipal Finance Authority of British Columbia Bond and Intermediate Funds have stated interest rates of 5.00% to 14.25% (1999 - 5.00% to 14.25%) with maturity dates from June 22, 2001 to June 14, 2011. The Municipal Finance Authority Bond and Intermediate Funds earn interest based on current market conditions and do not have set maturity dates. Funds can be withdrawn from these funds after a four-day notice period.

Market values for certain investments totaling $543,000 (1999 - $627,000) are not available as at December 31, 2000. These investments are recorded at cost and market value is considered to approximate cost.

5. Employee benefit obligations:

	2000	1999
Accrued vacation	$ 834,715	$ -
Frozen sick leave	50,980	-
Accrued sick leave - police and fire	1,774,990	907,345
Accrued sick leave - other	1,073,042	-
Early retirement program	158,871	-
Superannuation overcontributions	77,713	-
	3,970,311	907,345
Less funds held in reserve	893,998	907,345
Unfunded employee benefit obligations	$ 3,076,313	$ -

Employee benefit obligations represent accrued benefits as at December 31, 2000. Accrued vacation is the amount of vacation entitlement carried forward into the next year. Frozen sick leave represents the City's liability for sick leave credits earned prior to 1986. Accrued sick leave - police and fire represents the present value of sick leave entitlements of members of the Police and Fire Unions. These credits are payable upon retirement. Accrued sick leave - other is the estimated liability for sick leave for all employees other than police and fire. These sick leave entitlements can only be used while employed by the City and are not paid out upon retirement or termination of employment. This amount represents the estimated liability based on historical usage.

As part of its ongoing restructuring process, the City instituted an early retirement program whereby employees could elect to retire prior to the standard retirement age. This program ended in 1999 and the remaining outstanding amount represents the balance owing in respect of future pension plan contributions.

The superannuation overcontribution liability represents amounts, including interest, owing to police officers and fire fighters for the employer's share of superannuation overcontributions. These amounts are payable upon retirement.

The new Public Sector Accounting Board requirement to record all future employee obligations has been applied on a retroactive basis, without restating the financial statements of prior periods. Consolidated fund balances have been reduced by $3,076,313 for the cumulative effect of this change in policy.

6. Long-term debt:

(a) Long-term debt outstanding:

Debt payable, issued in the name of the City, includes the following amounts:

By-law	Purpose	Year maturing	Rate %	2000	Balance outstanding 1999
General capital:					
83-19	Roads	2003	12.350	$ 2,322,211	$ 2,932,693
83-19	Drainage	2003	12.350	145,563	183,830
90-23	Downtown revitalization	2006	9.000	181,483	203,539
91-34	Drainage	2006	10.250	640,595	730,289
92-28	Downtown revitalization	2008	6.000	127,875	140,064
92-114	Drainage	2008	7.260	934,021	1,027,176
93-130	Police station	2008	7.180	4,358,765	4,793,486
93-130	Roads	2008	7.180	934,021	1,027,176
93-130	Cliffs and seawall	2008	7.180	934,021	1,027,176
93-130	Drainage	2008	7.180	2,088,894	2,297,230
95-58	Police station	2010	7.375	7,439,295	8,002,588
95-58	Roads	2010	7.375	1,934,217	2,080,673
95-58	Cliffs and seawall	2010	7.375	1,859,824	2,000,647
95-58	Fire station	2010	7.375	1,115,894	1,200,388
95-58	Drainage	2010	7.375	1,259,733	1,355,118
97-35	Police station	2012	5.850	533,691	565,624
97-35	Cliffs and seawall	2012	5.850	1,835,897	1,945,746
97-35	Drainage	2012	5.850	254,489	269,716
Total general capital				28,900,489	31,783,159
Sewer capital:					
83-19	Sewer system	2003	12.350	145,563	183,830
93-130	Sewer system	2008	7.180	401,828	441,905
95-58	Sewer system	2010	7.375	600,091	645,529
97-35	Sewer system	2012	5.850	121,233	128,487
Total sewer capital				1,268,715	1,399,751
				$ 30,169,204	$ 33,182,910

The aggregate amount of payments required on the City's long-term debt during each of the next five years is as follows:

2001	$ 5,766,078
2002	5,760,192
2003	5,753,578
2004	4,719,130
2005	4,719,130

6. Long-term debt (continued):

(a) Long-term debt outstanding (continued):

Total interest expense during the year was $3,372,557 (1999 - $3,983,684).

In addition, the City has authorization to raise short-term capital borrowing of $3,100,000 to assist in the financing of the Dockside Development Project. No borrowing has been undertaken to date.

(b) Debt limit:

Regulations under section 334 of the Local Government Act, as passed by the Province of British Columbia, establish municipal debt limits. The debt limit for the City is the total of 20% of the current value, as shown on the most recent audited consolidated financial statements, of the tangible capital assets of the municipality, and 20% of the average of the converted value of land and improvements in the municipality for the current year and the two immediately preceding years.

7. Physical assets:

	Beginning balance	Capitalizations	Transactions	Disposals	December 31, 2000 ending balance
Sanitary sewer utility	$ 14,978,816	$ 961,532	$ -	$ -	$ 15,940,348
Water utility	33,227,851	1,470,505	-	-	34,698,356
General capital:					
Engineering structures	106,343,236	11,768,497	-	-	118,111,733
Buildings	78,627,805	1,988,155	-	-	80,615,960
Machinery and equipment	50,403,660	3,637,765	-	(473,000)	53,568,425
Land	14,981,705	47,667	-	(5)	15,029,367
Work-in-progress	3,516,847	-	(3,059,415)	-	457,432
Inventories of materials and supplies	861,723	-	(38,903)	-	822,820
	$ 302,941,643	$ 19,874,121	$ (3,098,318)	$ (473,005)	$ 319,244,441

8. Operating Funds:

The Operating Funds balance is appropriated as follows:

	Beginning balance	Transactions	Transfers	General operating	Current year's surplus water operating	Sewer operating	Ending balance
Unappropriated balance:							
Surplus	$ 3,222,228	$ (961,234)	$ (2,260,994)	$ 623,540	$ 180,271	$ 169,744	$ 973,555
Appropriated balance - reserve accounts:							
Working capital funds	3,039,094	-		-		-	3,039,094
Future expenditures	481,511	(481,511)	-	-	-	-	-
Economic development	36,224	(111,851)	600,000	-	-	-	524,373
Casino gaming revenue share	179,197	377,181	-	-	-	-	556,378
Debt reduction	840,386	-	-	-	-	-	840,386
Innovation	148,651	-	51,349	-	-	-	200,000
Self insurance	2,550,000	-	-	-	-	-	2,550,000
TSL - deeded (offset)	76,992	-	-	-	-	-	76,992
Water utility	1,770,000	-	-	-	-	-	1,770,000
	9,122,055	(216,181)	651,349	-	-	-	9,557,223
Operating Funds balance	$ 12,344,283	$ (1,177,415)	$ (1,609,645)	$ 623,540	$ 180,271	$ 169,744	$10,530,778

9. Capital Funds:

The Capital Funds balance is comprised of the following:

	Beginning balance	Carry forwards used	2000 debt principal repayments	2000 actuarial adjustment	2000 capital expenditures	Acquisitions funded internally	2000 disposals	December 31, 2000 ending balance
Fund balance	$ 1,432,924	$ (1,400,243)	$ -	$ -	$ -	$ -	$ -	$ 32,681
General capital	219,550,018	-	2,422,269	460,401	14,207,250	2,715,496	(473,005)	238,882,429
Water utility capital	33,227,851	-	-	-	1,470,505	-	-	34,698,356
Sewer utility capital	13,579,066	-	112,134	18,901	961,533	-	-	14,671,634
Capital Funds balance	$ 267,789,859	$ (1,400,243)	$ 2,534,403	$ 479,302	$16,639,288	$ 2,715,496	$ (473,005)	$ 288,285,100

10. Reserve Funds:

The Reserve Funds balances are comprised of the following:

	Beginning balance	2000 transfers from Operating Fund	2000 transfers from General Capital Fund	2000 transfers to General Capital Fund	December 31, 2000 ending balance
Equipment replacement	$ 19,312,646	$ 4,978,730	$ -	$ (8,978,871)	$ 15,312,505
Offstreet parking	1,335,326	74,133	-	(448,174)	961,285
Local improvements	669,091	32,743	-	-	701,834
Tax sale lands	4,376,860	250,266	158,591	(1,624,204)	3,161,513
Leisure services	679,320	108,245	-	(132,508)	655,057
	$ 26,373,243	$ 5,444,117	$ 158,591	$ (11,183,757)	$ 20,792,194

11. Net taxes available for municipal purposes:

	2000	1999
General taxation:		
Property and business taxes	$ 104,737,305	$ 101,231,244
Utility 1% tax	952,980	924,370
Special assessments:		
Land buyers	12,069	-
Boulevard frontage	491,450	495,207
Local improvement	6,008	6,008
Specified area improvement	61,571	61,571
Business improvement area	582,826	567,389
Sewer frontage	473,759	472,586
Hotel tax:		
Tourism Victoria - Destination Marketing Commission	1,931,412	2,009,710
Victoria Conference Centre	461,700	457,099
Less transfers to other governments:		
Capital Regional District	(6,644,641)	(5,705,304)
School authorities	(38,801,920)	(37,775,962)
Regional Hospital District	(2,817,042)	(2,605,414)
Municipal Finance Authority	(1,914)	(1,909)
BC Assessment Authority	(1,390,796)	(1,353,521)
BC Transit	(1,963,959)	(1,894,588)
	$ 58,090,808	$ 56,888,486

12. Grants-in-lieu of taxes:

	2000	1999
Federal	$ 1,908,084	$ 1,819,661
Provincial:		
BCBC	2,792,693	2,684,279
Provincial agencies:		
Housing	261,156	277,219
Hydro	172,521	152,493
BC Ferries	58,200	58,200
ICBC	215,132	216,044
Less transfers to other governments:		
Capital Regional District	(478,541)	(407,286)
School authorities	(882,813)	(856,122)
Regional Hospital District	(61,641)	(56,581)
Municipal Finance Authority	(23)	(24)
BC Assessment Authority	(31,996)	(31,117)
BC Transit	(55,165)	(52,789)
	$ 3,897,607	$ 3,803,977

13. Government transfers:

The following government transfers have been included in revenues:

	2000	1999
Unconditional transfers from provincial government:		
Traffic fine revenue sharing	$ 571,002	$ 574,358
Conditional transfers:		
Provincial:		
Jail	$ 352,993	$ 398,466
Federal:		
Jail	25,668	19,107
Other local governments:		
Jail	54,324	55,161
Miscellaneous	14,118	17,931
Infrastructure grants:		
Sewer	123,292	-
General capital	194,056	1,911,588
Cost sharing:		
General capital	87,769	281,120
	$ 852,220	$ 2,683,373

14. Expenditures by object:

	2000	1999
Salaries, wages and employee benefits	$ 60,212,936	$ 62,205,035
Equipment	7,932,304	10,518,643
Materials, supplies and contracted services	29,987,850	23,407,426
Interest and foreign exchange	3,372,557	3,983,684
Other	6,014,017	1,682,381
	$ 107,519,664	$ 101,797,169

15. Contingent liabilities:

The City is defendant in various lawsuits as of December 31, 2000. When claims are paid, as a result of litigation, the expenditure is recorded. An insurance reserve of $2,550,000 is maintained to offset settlements, should any arise, and insurance coverage is maintained to provide for insurable claims, should they exceed the liability deductible of $1,000,000 in any year. While it is not possible to estimate the ultimate liability with respect to the pending litigation, the City solicitor believes there will be no material adverse effect on the financial position of the City.

New condominium construction in British Columbia over the last ten years has resulted in significant construction deficiencies. Liability for these deficiencies is presently being addressed by the courts. The impact of the court's decisions and their effect on the City are unknown at this time. The City has received various statements of claim with respect to alleged construction deficiencies. Statements of reference have been made on behalf of the City by the City's solicitors. No determination of the City's liability, if any, has been made and no estimate of potential loss can be made at this time.

Capital Regional District debt, under provisions of the Local Government Act, is a direct, joint and several liability of the Capital Regional District and each member municipality within the Capital Regional District, including the City.

The City and its employees contribute to the Municipal Pension Plan in accordance with the BC Public Sector Pension Plans Act. The pension plan is a multi-employer defined benefit pension plan with more than 110,000 active contributors, including approximately 26,000 contributors from over 180 local governments. The plan is overseen by the Municipal Pension Board, with the chair of the board acting as trustee for the plan and the board comprised of representatives from employers and from members. The British Columbia Pension Corporation provides pension benefit administration services and the British Columbia Investment Management Corporation provides investment management services for the pension plan.

15. Contingent liabilities (continued):

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The next valuation will be for December 31, 2000 and will be available late in 2001. The latest valuation was for December 31, 1997, and disclosed a $548 million unfunded actuarial liability (UAL) for funding purposes ($1.31 billion as at the previous valuation). This represented an improved financial position, with a decrease in the UAL as a percentage of covered payroll from approximately 36% to 14%. Plan legislation provides that the member group statutory contribution rates, upon which employer-specific rates are based, will not be increased as long as the financial health of the pension plan improves from one valuation to the next. The actuary does not attribute portions of the UAL to individual employers. Each employer expenses contributions to the plan in the year in which payments are made.

The City is reviewing environmental objectives and liabilities for its activities and properties and potential site reclamation obligations. The amount of any such obligations has not been determined.

16. Trust assets and liabilities:

The City administers the following trusts on behalf of third parties.

		2000		1999
Ross Bay Cemetery	$	390,805	$	386,224
Nature Interpretation Centre		242,644		229,694
	$	633,449	$	615,918

The Ross Bay Cemetery Trust is a care fund for the non-commercial Ross Bay Cemetery and is used for perpetual maintenance.

The Nature Interpretation Centre is a trust for the construction of a nature interpretation center in Beacon Hill Park.

17. Adoption of public sector accounting recommendations:

Commencing in 2000, the City has adopted the local government accounting standards issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The comparative figures included in these financial statements have been restated to conform with the accounting standards and presentation adopted for the current year.

GREATER VICTORIA

PUBLIC LIBRARY BOARD

AUDITED

FINANCIAL STATEMENTS

GREATER VICTORIA PUBLIC LIBRARY BOARD

Audited Financial Statements

Year ended December 31, 2000

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AUDITORS' REPORT TO THE GREATER VICTORIA PUBLIC LIBRARY BOARD

We have audited the consolidated statement of financial position of the Greater Victoria Public Library Board as at December 31, 2000 and the consolidated statement of financial activities for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Victoria, Canada

January 26, 2001

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Consolidated Statement of Financial Position

December 31, 2000

	2000	1999
Assets		
Current assets:		
Financial instruments, at cost (note 2):		
Unrestricted funds	$ 1,424,377	$ 1,268,671
Special purpose funds	363,506	1,413,775
	1,787,883	2,682,446
Receivables	43,805	7,690
Prepaid expenses	25,874	35,028
	69,679	42,718
Capital assets (note 3)	1,189,460	997,766
Library materials collection (note 4)		
	$ 3,047,022	$ 3,722,930
Liabilities, Fund Balances and Surplus Funds		
Current liabilities:		
Accounts payable	$ 94,828	$ 97,847
Accrued vacation and sick leave benefits	53,610	-
Current portion due on capital leases (note 6)	55,235	55,235
Deferred revenue	776,466	610,376
Funds held for renovations (note 5)	45,577	1,127,751
	1,025,716	1,891,209
Long-term liabilities:		
Amounts due on capital leases (note 6)	159,208	214,443
Fund balances:		
Invested in capital assets (Schedule 2)	975,017	728,088
Operating Fund surplus (note 7)	134,440	116,561
Special purpose funds	264,319	286,024
Reserve fund for outstanding orders - library materials	488,322	486,605
	1,862,098	1,617,278
	$ 3,047,022	$ 3,722,930

See accompanying notes to consolidated financial statements.

Approved by the Board:

_____ Trustee

_____ Trustee

GREATER VICTORIA PUBLIC LIBRARY BOARD

Consolidated Statement of Financial Activities

Year ended December 31, 2000

	Operating Fund	Special Purpose Funds	Reserve Fund	2000	1999
Revenue:					
Municipal contributions	$ 7,093,332	-	-	7,093,332	6,917,493
Provincial government grants	520,907	-	-	520,907	530,921
Federal government grants	73,292	-	-	73,292	23,330
Other grants	4,000	-	-	4,000	600
Fines, fees and photocoping	548,127	-	-	548,127	535,284
Contracts for service	26,860	-	-	26,860	25,200
Donations	1,021	293,075	-	294,096	77,497
G.S.T. rebates and credits	131,067	-	-	131,067	121,940
Investment interest	96,215	21,898	-	118,113	96,302
	8,494,821	314,973	-	8,809,794	8,328,567
Expenditure:					
Library materials	1,006,302	10,730	486,605	1,503,637	1,413,811
Salaries and benefits	5,753,823	3,627	-	5,757,450	5,586,561
Supplies and services	345,047	19,092	-	364,139	342,531
Building occupancy	353,840	1,429	-	355,269	369,303
Other	268,389	8,562	-	276,951	285,093
Automated systems	182,896	127,797	-	310,693	139,225
Carpet replacement	55,000	-	-	55,000	-
Furniture and equipment	28,323	41,819	-	70,142	25,533
Renovations to Central Library	-	11,012	-	11,012	88,257
Special projects	54,000	-	-	54,000	6,134
	8,047,620	224,068	486,605	8,758,293	8,256,448
Excess (deficiency) of revenue over expenditure	447,201	90,905	(486,605)	51,501	72,119
Prior year surplus	116,561	-	-	116,561	75,342
Transfers from (to) funds	59,000	(59,000)	-	-	-
Transfer from (to) reserve for outstanding orders - library materials	(488,322)	-	488,322	-	-
Net increase in fund balances	-	(31,905)	(1,717)	(33,622)	(30,900)
Surplus, end of year	$ 134,440	-	-	134,440	116,561

See accompanying notes to consolidated financial statements.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Operating Fund
Statement of Financial Activity

Year ended December 31, 2000

	2000		1999	
	Actual	Budgeted	Actual	Budgeted
Revenue:				
Municipal contributions:				
District of Saanich	$ 2,754,341	$ 2,754,341	$ 2,670,474	$ 2,670,474
City of Victoria	2,365,626	2,365,626	2,336,924	2,336,924
District of Oak Bay	533,419	533,419	519,254	519,254
Township of Esquimalt	461,067	461,067	446,808	446,808
District of Langford	458,229	458,229	435,654	435,654
City of Colwood	345,445	345,445	341,250	341,250
District of Metchosin	134,064	134,064	127,969	127,969
District of Highlands	41,141	41,141	39,160	39,160
	7,093,332	7,093,332	6,917,493	6,917,493
Grants:				
Library Services Branch grant	494,145	498,000	496,225	498,000
Inter-library resource sharing grant	7,017	7,000	5,527	-
Youth employment grants	29,292	-	27,975	-
Grants for special projects	62,000	-	23,330	-
Other grants	5,745	-	1,794	3,000
Library revenue:				
Fines, fees and photocopying	548,127	575,000	535,284	553,000
Contracts for service	26,860	27,000	25,200	25,500
Donations	1,021	-	930	-
G.S.T. rebates and credits	131,067	136,000	121,940	130,000
Investment interest	96,215	60,000	72,775	60,000
	8,494,821	8,396,332	8,228,473	8,186,993
Expenditure:				
Library materials (Schedule 1)	1,006,302	1,001,406	965,026	1,001,406
Salaries and benefits (Schedule 1)	5,753,823	5,759,136	5,578,032	5,591,261
Supplies and services (Schedule 1)	345,047	369,428	340,219	340,275
Building occupancy (Schedule 1)	353,840	404,062	335,874	427,912
Other (Schedule 1)	268,389	288,110	273,307	280,732
Automated systems	182,896	155,751	129,451	125,751
Carpet replacement	55,000	55,000	-	-
Furniture and equipment	28,323	15,000	7,606	10,000
Special projects	54,000	-	6,134	10,000
	8,047,620	8,047,893	7,635,649	7,787,337
Excess of revenue over expenditure	447,201	348,439	592,824	399,656
Prior year surplus	116,561	116,561	75,342	75,344
Transfer to Personnel Contingency Fund	-	-	(10,000)	-
Transfer from (to) Replacement Reserve Fund	35,000	35,000	(55,000)	(25,000)
Transfer from Central Library Fund	24,000	-	-	-
Transfer to Reserve Fund for outstanding orders - library materials	(488,322)	(500,000)	(486,605)	(450,000)
Surplus, end of year	$ 134,440	$ -	$ 116,561	$ -

See accompanying notes to financial statements.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Special Purpose Funds
Statement of Financial Activity

Year ended December 31, 2000

	Personal Contingency Fund	Replace-ment Reserve Fund	General Contingency Fund	Endowment Fund	Central Library Fund	Student Loan Fund	D. W. Miller Fund	Designated Donation Fund	Total
Balance, beginning of year	$ 97,577	$ 96,867	$ 50,000	$ 15,086	$ 17,955	$ 5,112	$ 3,427	$ -	$ 286,024
Donations:									
Friends of Greater Victoria Public Library	-	-	-	-	-	-	-	53,144	53,144
Other	-	-	-	7,480	5,098	-	-	227,353	239,931
Income from Victoria Foundation	-	-	-	8,980	-	-	-	-	8,980
Investment interest	4,879	5,844	-	802	947	267	179	-	12,918
Materials and services purchased	-	-	-	(11,012)	-		-	(208,982)	(219,994)
Transfer to Victoria Foundation	-	-	-	(4,074)	-	-	-	-	(4,074)
Transfer to current liabilities	(53,610)	-	-	-	-	-	-	-	(53,610)
Excess (deficiency) of revenue over expenditure	(48,731)	5,844	-	2,176	6,045	267	179	71,515	37,295
Transfers to Operating Fund	-	(35,000)	-	-	(24,000)	-	-	-	(59,000)
Net increase (decrease) in fund balances	(48,731)	(29,156)	-	2,176	(17,955)	267	179	71,515	(21,705)
Balance, end of year	$ 48,846	$ 67,711	$ 50,000	$ 17,262	$ -	$ 5,379	$ 3,606	$ 71,515	$ 264,319

See accompanying notes to financial statements.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2000

The Greater Victoria Public Library Board (the "Board") is established under the Library Act of British Columbia. Its principal activity is the operation of the public libraries serving residents of the Cities of Victoria and Colwood, the Township of Esquimalt and the Districts of Oak Bay, Saanich, Highlands, Langford and Metchosin.

The Board also provides service to residents of the Electoral Area of Langford and the Esquimalt Reserve, and to members of the Songhees Band.

The Board is a registered charity and is exempt from income tax.

1. Significant accounting policies:

(a) Basis of accounting:

These financial statements are prepared in accordance with generally accepted accounting principles recommended by the Public Sector Accounting and Auditing Board of The Canadian Institute of Chartered Accountants.

Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Currently in use are the following funds:

(i) Operating Fund:

(i) Includes the general revenues, expenditures and surplus of the Board. Surpluses are required to be included in revenue in the following year.

(ii) Purchases of library materials and capital expenses are charged to operating expenditure on acquisition.

(ii) Special purpose funds:

(i) Personnel Contingency Fund:

Provides for personnel related contingencies as directed by the Board.

(ii) Replacement Reserve Fund:

Provides for the upgrading or replacement of certain capital items.

(iii) General Contingency Fund:

Provides for unanticipated expenditures or shortfalls of revenue.

(iv) Endowment Fund:

Records donations to the Library Board and disbursements made from the unrestricted income generated by these donations.

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

(ii) Special purpose funds (continued):

(v) Central Library Fund:

A fund to purchase furnishings or finance other expenditures for the benefit of the Central Library.

(vi) Student Loan Fund:

Records activities of a loan fund established by a donation to provide loans to students attending accredited library schools.

(vii) D. W. Miller Fund:

Provides for continuing education of library staff.

(viii) Designated Donation Fund:

Segregates donations which are to be utilized for purposes designated by the donor.

(iii) Reserve Fund for outstanding orders - library materials:

The Library Board is committed to the purchase of materials ordered but not yet received by year end. The amount required to pay for these materials is expensed in the Operating Fund as a transfer to reserve for outstanding orders and paid out of the reserve in the subsequent year when the materials are received.

(b) Library Services Branch revenue:

The Library Board receives an annual operating grant from the Library Services Branch of the Government of British Columbia. The grant covers a twelve-month period ending March 31. Accordingly, monies received prior to the fiscal year end that relate to the subsequent year's revenue are shown on the statement of financial position as deferred revenue.

1. Significant accounting policies (continued):

(c) Capital assets:

Capital assets are charged to expenditure on acquisition.

Capital assets are recorded at cost and amortized on the straight-line basis as follows:

Asset	Rate
Computer equipment	over 5 years
Furniture and equipment	over 10 years
Shelving	over 20 years

Software is written off at the time of acquisition.

2. Financial instruments:

These consist of cash, treasury bills or bonds of chartered banks or of the federal or provincial governments, the fair value of which approximates their cost, which earn interest at rates varying between 4.9% and 6.0%, and which mature at varying dates until 2007.

3. Capital assets:

			2000	1999
	Cost	Accumulated amortization	Net	Net
Computer equipment	$ 1,040,125	$ 711,758	$ 328,367	$ 262,405
Furniture and equipment	1,478,738	919,220	559,518	440,752
Shelving	959,741	658,166	301,575	294,609
	$ 3,478,604	$ 2,289,144	$ 1,189,460	$ 997,766

4. Library materials collection:

Purchases of library materials are charged as an operating expense in the year of purchase. The total value placed on the collection for insurance purposes is $18,332,000.

5. Funds held for renovations:

Capital funds were provided by the Board, the City of Victoria, the Districts of Saanich and Oak Bay and the Township of Esquimalt for the purpose of renovating the Central Library. The Board is responsible for managing the renovation project under the supervision of the City of Victoria and will account to all four municipalities for the total budget. These funds remain unspent at year end but will be spent in the subsequent fiscal year.

6. Amounts due on capital leases:

The amounts due are as follows:

	2000	1999
Year ending December 31:		
2000	$ -	$ 55,235
2001	55,235	55,235
2002	55,235	55,235
2003	55,235	55,235
2004	48,738	48,738
	214,443	269,678
Current portion due on capital leases	55,235	55,235
	$ 159,208	$ 214,443

7. Surplus:

The terms of the agreement between its members provide for the Library Board to carry forward any surplus, to be included in revenue in the following year.

8. Statement of cash flows:

A statement of cash flows has not been included as it would not provide meaningful additional information to that already disclosed in these financial statements.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Operating Fund Expenditures — Schedule 1

Year ended December 31, 2000

	2000		1999	
	Actual	Budgeted	Actual	Budgeted
Library materials:				
Books	$ 574,470	$ 630,400	$ 601,159	$ 668,982
Periodicals	187,961	150,630	164,573	136,498
Audio-visual materials	180,241	163,141	163,141	156,926
Processing, binding and shipping	63,630	57,235	36,153	39,000
	$ 1,006,302	$ 1,001,406	$ 965,026	$ 1,001,406
Salaries and benefits:				
Salaries	$ 4,880,058	$ 4,903,188	$ 4,777,056	$ 4,801,491
Benefits	873,765	855,948	800,976	789,770
	$ 5,753,823	$ 5,759,136	$ 5,578,032	$ 5,591,261
Supplies and services:				
Equipment repairs and maintenance	$ 176,375	$ 189,362	$ 163,471	$ 168,909
Stationery and supplies	104,185	104,266	104,789	100,585
Telephone and communication lines	64,487	75,800	71,959	70,781
	$ 345,047	$ 369,428	$ 340,219	$ 340,275
Building occupancy:				
Central Library operating costs	$ 111,249	$ 135,000	$ 99,161	$ 162,000
Janitorial supplies	8,137	12,205	10,244	12,205
Heat, light and water	75,113	86,000	72,171	88,550
Repairs and maintenance	159,341	170,857	154,298	165,157
	$ 353,840	$ 404,062	$ 335,874	$ 427,912
Other expenses:				
Audit and legal	$ 12,538	$ 14,000	$ 13,727	$ 14,000
Board expenses	12,825	9,000	7,423	9,000
Car mileage and taxi fares	10,007	7,500	7,622	7,500
Collection agency costs	16,960	20,000	18,914	20,000
Education and travel	33,350	35,000	30,411	30,000
Freight and express	15,588	18,000	20,486	18,000
GVLRA levy	9,218	9,000	7,976	9,000
Insurance	27,473	32,000	30,311	32,000
Memberships	3,360	4,400	3,355	5,000
Miscellaneous	12,885	10,000	9,667	8,766
Photocopying	36,614	43,760	40,765	40,016
Postage	25,769	28,450	26,054	31,450
Printing, promotions and programs	42,928	50,000	50,439	49,000
Vehicle operation	8,874	7,000	6,157	7,000
	$ 268,389	$ 288,110	$ 273,307	$ 280,732

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Changes in Capital Assets — Schedule 2

Year ended December 31, 2000

	2000	1999
Invested in capital assets, beginning of year	$ 728,088	$ 806,855
Purchases charged to Operating Fund expenditure	12,113	8,726
Purchased with capital grants from the Government of Canada	62,000	23,330
Purchased with Replacement Reserve funds	30,000	-
Purchased with Central Library funds	24,000	-
Purchased with Designated Donation funds	168,767	27,701
Purchased with Central Library Renovation funds	114,891	-
Capital assets provided by the District of Oak Bay for renovated branch	4,000	150,107
Capital lease payments charged to Operating Fund expenditure	55,235	69,986
	1,199,094	1,086,705
Depreciation	(224,077)	(192,413)
Portion of capital leases attributable to software and finance charges written off	-	(166,204)
Invested in capital assets, end of year	$ 975,017	$ 728,088

GREATER VICTORIA PUBLIC LIBRARY

Central Library Renovation Project
Year Ended December 31, 2000

Schedule 3
Unaudited

	2000	Budget
Contributed by the City of Victoria	731,674	731,674
Contributed by the District of Saanich	229,183	229,183
Contributed by the District of Oak Bay	50,169	50,169
Contributed by the Township of Esquimalt	42,188	42,188
Contributed from the Replacement Reserve Fund	87,000	87,000
	1,140,214	1,140,214
Interest earned	4,149	0
Architect fees	(16,612)	0
Balance at January 1, 2000	1,127,751	1,140,214
Interest earned	38,080	0
Donations	3,010	0
Contributed from the Endowment Fund	11,012	0
GST rebates	43,740	46,849
	1,223,593	1,187,063
Construction contract	(1,013,262)	(976,910)
Architects fees	(82,439)	(94,593)
Security system	(39,391)	(40,660)
Furniture	(1,099)	(42,800)
Moving and storage	(5,210)	(32,100)
Insurance, permits, blueprints, keys and miscellaneous	(17,152)	0
Electrical and ventilation costs	(19,463)	0
Balance at December 31, 2000	45,577	0

GVLRA

CUPE LONG TERM

DISABILITY TRUST

AUDITED

FINANCIAL STATEMENTS

GVLRA - CUPE LONG TERM DISABILITY TRUST

Audited Financial Statements

Year ended December 31, 2000

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AUDITORS' REPORT TO THE TRUSTEES

We have audited the balance sheet of GVLRA - CUPE Long Term Disability Trust as at December 31, 2000 and the statement of revenue and expenditure and surplus for the year then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2000 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Victoria, Canada

March 9, 2001

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association.

GVLRA - CUPE LONG TERM DISABILITY TRUST

Balance Sheet

December 31, 2000, with comparative figures for 1999

	2000	1999
Assets		
Cash	$ 7,642	$ 23,494
Investments, at market (note 3)	6,999,334	6,143,760
Accounts receivable	108,976	115,845
Prepaid insurance	9,876	14,813
	$ 7,125,828	$ 6,297,912
Liabilities and Plan Surplus		
Payables:		
Accounts payable and accrued liabilities	$ 42,269	$ 24,590
Plan liabilities (note 1):		
Provision for approved claims	4,620,376	3,655,829
Provision for unreported claims	801,000	530,000
	5,421,376	4,185,829
Plan surplus	1,662,183	2,087,493
Subsequent event (note 4)		
	$ 7,125,828	$ 6,297,912

See accompanying notes to financial statements.

Approved by the Trustees:

R.B. Blumenfeld Trustee

Trustee

GVLRA - CUPE LONG TERM DISABILITY TRUST

Statement of Revenue and Expenditure and Surplus

Year ended December 31, 2000, with comparative figures for 1999

	2000	1999
Revenue:		
Employee/employer contributions:		
Capital Regional District	$ 242,865	$ 236,857
Capital Region Health	81,582	108,173
Colwood	4,080	-
Esquimalt	35,604	37,739
Greater Victoria Public Library	50,800	49,815
North Saanich	23,135	19,299
Oak Bay	61,039	56,329
Saanich	276,635	263,751
Sidney	28,065	28,387
Victoria	319,880	317,319
	1,123,685	1,117,669
Investment income	425,610	310,839
Unrealized gains (losses) on investments	333,153	(146,149)
	1,882,448	1,282,359
Expenditure:		
Plan benefits:		
Provision for approved claims	1,235,547	(39,772)
Claims paid	878,079	772,295
	2,113,626	732,523
Other:		
Consultant fees	39,710	19,810
Plan and claims administration	130,892	111,233
Audit fees	4,066	4,167
Legal services	2,417	17,371
Financial administration	5,108	4,800
GVLRA administration fee (note 2)	6,000	6,000
Trustee insurance	4,940	4,535
Miscellaneous	999	(1,148)
	194,132	166,768
Net revenue (expenditure)	(425,310)	383,068
Plan surplus, beginning of year	2,087,493	1,704,425
Plan surplus, end of year	$ 1,662,183	$ 2,087,493

See accompanying notes to financial statements

GVLRA - CUPE LONG TERM DISABILITY TRUST

Notes to Financial Statements

Year ended December 31, 2000

The Trust was established January 1, 1987 as a health and welfare trust under an agreement between the Greater Victoria Labour Relations Association and the Canadian Union of Public Employees, Locals 50, 333, 374, 388, 410 and 1978. The Trust's sole purpose is to provide a long-term disability income benefit plan for employees covered by the corresponding collective agreements. CUPE Local 598 was subsequently admitted into the Trust.

1. **Significant accounting policies:**

It is the Trust's policy to follow Canadian generally accepted accounting principles and to apply such principles on a consistent basis. The following is a summary of the more significant accounting policies:

(a) Investments:

Investments consist of money market, bond fund and equity fund units under the direction of Phillips Hager and North Ltd. The carrying value of these investments is adjusted to market value.

(b) Plan liabilities:

Plan liabilities are amounts required for the servicing of claims under the Trust agreement.

The provision for approved claims is the actuarial liability for the future cost of all claims approved as at the year end.

The provision for unreported claims is the actuarial liability for the future cost of the estimated claims relating to the current and past years that have not been received or adjudicated as at the year end.

These provisions are the amounts recommended by William M. Mercer Limited, the Trust's consultants. The most recent valuation was at November 30, 2000 and has determined that the provisions carried in these statements are adequate. Detailed valuations are done every third year.

(c) Statement of cash flows:

A statement of cash flows has not been prepared because management feels it would not provide any significant additional information.

2. **Related party transaction:**

The Trust is administered by GVLRA and is charged a fee of $6,000 per annum.

3. Investments, at market:

The year end balances in each fund are as follows:

	2000	1999
Canadian Money Market	$ 203,722	$ 250,294
Bond	5,368,793	4,770,937
Canadian Equity	1,080,717	1,122,529
Global Equity	346,102	-
	$ 6,999,334	$ 6,143,760

4. Subsequent event:

During 2000, the Capital Health Region (CUPE Local 1978) withdrew para-medical employees from the Trust. In 2001 the balance of CUPE Local 1978 employees will leave the Trust.